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TELEGRAPHIC ADDRESS :

"CO-PARTNERSHIP, LONDON."

# LABOUR ASSOCIATION,

FOR PROMOTING

*Co-operative Production based on the  
Co-Partnership of the Workers.*

ESTABLISHED 1884.

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Central Office - 15, Southampton Row, London, W.C.

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## How to Start a Co-operative Workshop.

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THE object of this pamphlet is to give to those wishing to establish a co-operative workshop, information in brief of the steps which many years of experience have proved it best to take in order to secure a good start and lay down the lines of future success. Much of course depends upon the special conditions of each industry, including the character of the workers to be dealt with; but there are many points of vital importance which are common to all industries, and some knowledge of which will save much time and trouble.

The first point is as to the industry to be undertaken. Those wishing to promote a co-operative workshop should form themselves into a preliminary committee and have a series of meetings to discuss which industry it would be best to undertake. The early discussions should be limited as far as possible to the most intelligent, thoughtful, and interested workers. If this committee should constitute itself a lodge of the Labour Association so much the better, as it would then be in touch with many of the successful productive societies throughout the country, and have their moral support. In

### SELECTING THE INDUSTRY,

the suitability of the locality, the possibility of securing the special administrative and technical ability requisite, the amount of capital, and the chances of obtaining a market, should all be thoroughly

discussed. The industry that can be started with a small amount of capital, with a view to gradually increasing the capital as the business extends, generally offers the best opportunities for a body of workers. This enables the actual workers, and those immediately concerned in the starting of the workshop—who may be taken to be more devoted to the principle than the distant outsider—to supply a fair proportion of the capital, and thus have a predominating voice. It causes them from the start to feel a

### **SENSE OF RESPONSIBILITY,**

and as the business grows and responsibilities increase, the capacity and administrative qualities of the founders and workers will grow also. Whereas if too great a proportion of the capital is found at the start by outsiders, their influence will be overwhelming. Under such circumstances it has too frequently been found that the co-operative spirit in the workshop is soon lost, and the workers drift into the position of ordinary wage servants. On the other hand, when success has been attained on a small scale, a reasonable amount of capital will come in from outside as a profitable investment, but there will not be the same tendency to suppress the co-operative character of the concern.

### **A MARKET.**

With regard to a market, commodities that are in use by existing productive, distributive, or other co-operative organisations offer perhaps the best chances. There are, however, several societies successfully trading in the open market, and if enterprise and vigour be shown others may succeed also.

Several meetings will be required to discuss these points, and it would be well if some of the leaflets and other publications on co-operative production were obtained from the Labour Association and read by those interested. If convenient, a representative of the Association might be invited to attend and discuss the matter with the preliminary committee.

### **RULES.**

Having settled the industry it is proposed to undertake, a small committee should be appointed to draft rules. Copies of the Labour Association's Model Rules should be sent for, and a few special rules drafted, setting forth the name, objects, &c., of the society, and to meet the requirements of the particular industry. The Association will help in drafting these if requested, and they must then be submitted for the consideration of a meeting of those who propose joining. No charge is made for the help thus rendered by the Association.

### **MEETINGS.**

Whilst the rules are being registered, meetings should be organised of those likely to be interested in the project, and applications for share capital should be taken. To these meetings a speaker could be invited from the Labour Association to explain

what the advantages of co-operative production are, and how successful it has been in many places. Don't be in a hurry. It is important that actual work should not be started until much educational work has been done and sufficient capital raised. Frequent discussions will help in making those who are to work for the society better acquainted with each other.

### **CAPITAL.**

By experience it is found that the common thing is for workers at first to under-estimate the capital they require by *one half*. They forget that the money for goods will not come in the moment they have made them. Samples have to be made up, and have to be brought to the notice of customers, which takes time. Orders will be slow in coming in, and even after orders have been taken and executed it may be some two or three months before the money begins to return. All this time the workers are employed in making the stock; and wages, rent, expenses of management and of obtaining a market, have to be met. In estimating the capital required to start, it is not a bad plan to calculate, besides that needed for machinery and raw material, that the above expenses will have to be met for at least three months, sometimes more. Little or no return should be relied upon from the sale of goods within that period from the date of starting work. It should be remembered, too, that the only way to ascertain the amount of capital likely to be required is to make a full list of the things and expenses necessary, item by item, and put the estimated price against each. Any attempt to estimate the necessary capital in a lump sum is quite useless and misleading.

### **MEN OF CHARACTER NEEDED.**

Much of course depends upon the devotion of the workers first employed. If they are prepared to make some little sacrifice in the early days, and to put their whole heart into their work, much can be done that would otherwise be impossible.

When the rules are passed by the Registrar, the committee and officers should be appointed according to rule. Great care should be taken in selecting the right men. Men of character and ability are needed, and as a rule it is extremely desirable that, besides drawing some of these from the workers to be employed, some leading members of local co-operative distributive societies should, if possible, be appointed. In this way co-operative production and distribution are led to make common cause, and in addition a healthy public opinion is brought into the co-operative workshop.

### **MANAGER.**

Even greater care is needed in the choice of the manager than of the committee. Few men are found to be capable organisers in the competitive world, and they are fewer still who have all that combination of qualities which include with commercial ability, a high standard of character, and an enthusiasm for the co-operative



ideal; yet these are essential to the successful directing of a truly co-operative form of industry. When you get your right man don't forget to pay him well, to treat him well, and to trust him.

### WORKER'S CAPITAL.

Every effort should be made to obtain as much capital as possible from the workers in the industry affected, and particularly from those who are likely to be employed. In fact, before appealing for much outside capital it is desirable that these should have made themselves responsible for a substantial sum, £5 per member being in most cases not an unreasonable amount. This of course should be augmented later by capitalising the profits allotted to each worker. Those for whom the concern is primarily started must show their faith in it by sharing the risks before they can expect outsiders to do much. When they have done so, steps should be taken to bring the society before the co-operative world, and before others interested in such efforts. Conferences of local co-operative societies should be convened, the objects of the society explained to them, and their support solicited.

### ONE LAST WORD.

Above all, don't rely too much upon outside help. If it comes so much the better, but let most of your calculations be based on your having to do yourselves what you want done. Remember, too, that further particulars concerning the formation of a society, and information on the movement generally, can be obtained of the Secretary, Labour Association, 15, Southampton Row, London, W.C.

P.S.—After this pamphlet read “A Word on Rules for a Productive Society” (Labour Association, 1d.)

Read “**LABOUR CO-PARTNERSHIP**,” Monthly, 1d.

POST FREE FOR 1/6 PER ANNUM.



To advance the objects of the Association, the Committee desire the assistance of friends—(1) By helping to organise Meetings, Lectures, Conferences, Distribution of Literature amongst the Societies, Trade Unions, or Associations with which they may be connected; (2) By supplying the Committee with any information concerning the starting or position of any Co-operative Productive Societies in their district; (3) By becoming subscribers to the Association's funds of any sum not less than one shilling per annum.

*For further particulars and copy of Model Rules apply to the Secretary.*

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